Low Impact Hydropower Institute Recertification Review Farmers Irrigation District Plant 2 and Plant 3 Hood River, Oregon (LIHI Certificate No. 45)

By Nicholas Niiro

There have been no material changes affecting Project compliance with LIHI criteria, and the District continues to meet all of the criteria. I recommend recertification for a term of five years.

I. <u>Background</u>

An application for renewal of Low Impact Hydro Certification was filed with the Low Impact Hydro Institute (LIHI) on November 11, 2013, by Farmers Irrigation District (District or FID) for its hydropower project (Project) consisting of Plant 2 and Plant 3 on tributaries and the main stem of the Hood River, in Oregon. The original five-year LIHI Certification #45 was granted on March 25, 2009.

The original certification required:

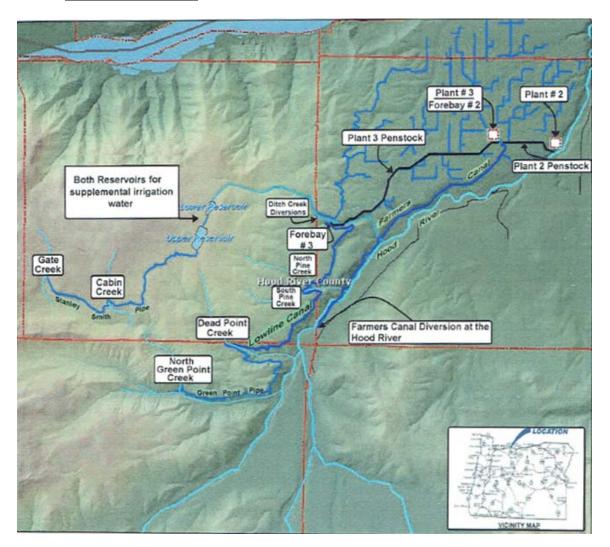
No later than December 31, 2011 and annually thereafter FID shall, after consultation with the ODFW and ODEQ, file a report on water quality presenting the status and progress of measures designed to mitigate and reduce water temperatures in the Hood River;

No later than December 31, 2011 FID shall demonstrate that the Sustainability Plan filed with their LIHI application:

- 1. Meets the LIHI's requirements for a watershed enhancement fund;
- 2. Achieves within the Project's watershed the ecological and recreational effects of land protection described in LIHI's Watershed Protection criteria; and,
- 3. Has the agreement of appropriate stakeholders and state and federal resource agencies.

No later than December 31, 2011, FID shall file with LIHI a plan for recreational access to the recreational fishery at project reservoirs. FID shall obtain agreement of appropriate stakeholders and state resources agencies with that plan and file the plan with FERC.

Both Plant 2 (P-7532) and Plant 3 (P-6801) operate under Federal Energy Regulatory Commission (FERC) conduit exemptions granted on April 6, 1984, and February 1, 1983, respectively. The District applied for and received an amendment to its conduit exemption for Plant 3 on January 29, 1991. The Oregon Department of Fish and Wildlife (ODFW), U.S. Fish and Wildlife Service (FWS), and U.S. National Marine Fisheries Service (NMFS) commented on the exemption proceedings before FERC. On July 18, 2012, FERC's Office of Energy Projects inspected the intakes and powerhouses of Plants 2 and 3, without incident. The District submitted copies of its 2012 Sustainability Plan with its application (Attachment 1). In addition, LIHI received letters from ODFW and the Oregon Department of Environmental Quality (ODEQ), indicating continued support for LIHI certification of the Project (Attachments 2 and 3).



II. <u>Project Description</u>

The District's Plants 2 and 3 were constructed in the mid-1980s to produce renewable energy for the Bonneville Power grid and provide revenue to the District to be used for water conservation, stream restoration, and fish screen projects. Plant 2 contains two generators – 1.0 MW and 2.0 MW – driven by horizontal axis Francis turbines; Plant 3 contains a 1.8 MW generator with a horizontal axis Pelton turbine. Each plant has its own switchgear, and electricity flows from both plants to a single substation, which is connected directly to the Bonneville grid.

The projects are run-of-river, and no dams are associated with the project's six water diversion systems. Water flows to Plant 3 forebay through the ten-mile long Lowline Canal;

water flows to Plant 2 through the five-mile long Farmers Canal. The Project has no reservoir storage other than the forebay, canal, and pipe systems. Water from Plant 3 also flows through Plant 2. The District owns the project facilities and holds easements for the canals, pipes, forebays, penstocks, and transmission lines.

The District diverts its project water through self-cleaning, horizontal fish screens, a technology developed by the District that allows fish to pass through the diversion systems without harm. The District maintains year-round minimum flows in Green Point Creek, a premier anadromous fish-bearing stream that is one of the sources of water for the Plant 3. Plant 3 is operated at reduced capacity if Green Point Creek flow drops below 250 cubic feet per second (cfs) for three consecutive days, and the plant typically does not run at all during the summer months.

In the 1990s, the Hood River was listed for threatened salmon and steelhead, and the Hood River was also placed on the Clean Water Act (CWA) section 303(d) list for water temperature. In the response to these listings, in a concerted effort to ensure that the District's plants are low impact, the District has worked with ODFW, ODEQ, and the Confederated Tribes of Warm Springs to enhance Hood River instream flow during the summer months and ensure that the District's Project does not increase water temperature.

In 2010, Hood River was designated as critical habitat for bull trout.

On August 22, 2011, ODFW, ODEQ, and the District entered into a Memorandum of Agreement (MOA) establishing operating conditions for the purpose of meeting LIHI certification (Attachment 4).

III. Low Impact Certification Criteria

A. <u>Flows</u> [PASS]

1. Is the Facility in *Compliance* with *Resource Agency Recommendations* issued after December 31, 1986 regarding flow conditions for fish and wildlife protection, mitigation and enhancement (including in-stream flows, ramping and peaking rate conditions, and seasonal and episodic instream flow variations) for both the reach below the tailrace and all bypassed reaches?

YES = Pass, go to BN/A = Go to A2NO = Fail

YES. The MOA requires that

[d]uring the months of July through October, when daily mean discharge in the Hood River is below 250 cfs for three consecutive days, diversion from the Hood River into Farmers Canal, as measured at the Farmers Canal broad crested weir, shall not exceed 40 cubic feet per second until the daily mean discharge in the hood river exceeds 250 cfs for three consecutive days.

Furthermore, beginning at 8:00 a.m. on October 1 and continuing to 8:00 a.m. on October 15, the District shall cease all diversion from the Hood River into Farmers Canal.

By letter dated February 24, 2014, ODFW noticed its support for recertification, contingent upon the implementation and continued operation of the MOA. By letter dated February 26, 2014, ODEQ also noticed its support for recertification, contingent on the District operating according to the above flow schedule. ODEQ stated that "FID has also continued to modify the amount of water that they divert from the Hood River during periods of low flow." The District meets the flow criteria.

B. <u>Water Quality</u> [PASS]

- **1.** Is the Facility either:
 - a. In Compliance with all conditions issued pursuant to a Clean Water Act Section 401 water quality certification issued for the Facility after December 31, 1986?

OR

b. In Compliance with the quantitative water quality standards established by the state that support designated uses pursuant to the federal Clean Water Act in the Facility area and in the downstream reach?

YES = Pass, Go to B2NO = Fail

YES. The MOA states that

ODEQ will support the District's effort to obtain and maintain low impact hydropower certification as long as the District's hydropower system operation does not cause thermal effects in excess of ODEQ standards.

It also requires testing of thermal effects of the project.

The 2012 Update on Thermal Impact (Attachment 5) indicates that the Project has a cooling effect on water, most notably in the summer. The report concluded that

[i]t is probable, with the input of warmer Neal Creek water above the site of the FID tailrace, that the FID tailrace water may mitigate for warmer in-stream temperatures not associated with hydroelectric plant operations, providing a net benefit to the natural system.

The District plans to continue thermal monitoring indefinitely to enhance the results of its study. These results, and ODEQ's continued support, satisfy this criteria.

2. Is the Facility area or the downstream reach currently identified by the state as not meeting water quality standards (including narrative and numeric criteria and designated uses) pursuant to Section 303(d) of the Clean Water Act?

 $YES = Go \ to \ B3$ NO = Pass

YES. The Hood River does not meet the state's water quality criteria for temperature, so ODEQ established a TMDL for temperature, which the EPA approved in 2002.

3. If the answer to question B.2 is yes, has there been a determination that the Facility is not a cause of that violation?

YES = Pass NO = Fail

YES. As stated above, the 2012 Update on Thermal Impact indicates that the District's project does not cause the violation. The District will continue monitoring and analyzing data. Further, ODEQ supports LIHI recertification for the District's Project contingent on continued implementation of and operation according to the MOA. In its letter dated February 26, 2014, ODEQ noted that operation according to the MOA "should have a direct benefit for stream temperature."

C. Fish Passage and Protection [PASS]

1. Is the Facility in Compliance with *Mandatory Fish Passage Prescriptions* for upstream and downstream passage of anadromous and catadromous fish issued by Resource Agencies after December 31, 1986?

 $YES = Go \ to \ C5$ NO = Fail

YES. No material change. The District has installed fish screens and must continue to release in-stream flows as prescribed above.

5. Is the Facility in Compliance with Mandatory Fish Passage Prescriptions for upstream and/or downstream passage of *Riverine* fish?

 $YES = Go \ to \ C6$ $N/A = Go \ to \ C6$ NO = Fail

YES. No material change.

6. Is the Facility in Compliance with Resource Agency Recommendations for Riverine, anadromous and catadromous fish entrainment protection, such as tailrace barriers?

YES = Pass, go to DN/A = Pass, go to D NO = Fail

YES. No material change.

D. <u>Watershed Protection</u> [PASS]

1. Is there a buffer zone dedicated for conservation purposes (to protect fish and wildlife habitat, water quality, aesthetics and/or low-impact recreation) extending 200 feet from the high water mark in an average water year around 50 - 100% of the impoundment, and for all of the undeveloped shoreline

YES = Pass, go to E and receive 3 extra years of certification NO = Go to D2

NO.

2. Has the facility owner/operator established an approved watershed enhancement fund that: 1) could achieve within the project's watershed the ecological and recreational equivalent of land protection in D.1.,and 2) has the agreement of appropriate stakeholders and state and federal resource agencies?

YES = Pass, go to E and receive 3 extra years of certification NO = Go to D3

YES. The original licensing questioned the ecological and recreational equivalence of the District's Sustainability Plan to the land protection described, and it allowed the District to conditionally pass under this criteria with no extra years of certification granted.

The District subsequently demonstrated that the Sustainability Plan satisfies these criteria. After satisfying the original certification conditions, the District has continued to update, improve, and expand its Sustainability Plan. Further, ODFW and ODEQ continue to support the program.

Under the Sustainability Plan, the District has installed 9 fish screens, installed 77 flow meters, planted 7,800 trees, and conserved 3,500 acre-feet annually (from the 1995 baseline). Over the next five years, it plans to optimize and repower Plant 2, complete its Farmer Canal and North Green Point Pipe Projects, and complete its reservoir consolidation and riparian enhancement project. The Districts' Sustainability Plan is equivalent to the land protection described in D.1 and D.2.

The District continues to meet these criteria.

E. <u>Threatened and Endangered Species Protection</u> [PASS]

1. Are threatened or endangered species listed under state or federal Endangered Species Acts present in the Facility area and/or downstream reach?

 $YES = Go \ to \ E2$ $NO = Pass, \ go \ to \ F$

YES. Lower Columbia River steelhead, Lower Columbia River Chinook salmon, and bull trout.

2. If a recovery plan has been adopted for the threatened or endangered species pursuant to Section 4(f) of the Endangered Species Act or similar state provision, is the Facility in Compliance with all recommendations in the plan relevant to the Facility?

 $YES = Go \ to \ E3$ $N/A = Go \ to \ E3$ NO = Fail

YES. No material change.

3. If the Facility has received authority to incidentally *Take* a listed species through: (i) Having a relevant agency complete consultation pursuant to ESA Section 7 resulting in a biological opinion, a habitat recovery plan, and/or (if needed) an incidental Take statement; (ii) Obtaining an incidental Take permit pursuant to ESA Section 10; or (iii) For species listed by a state and not by the federal government, obtaining authority pursuant to similar state procedures; is the Facility in Compliance with conditions pursuant to that authority?

 $YES = Go \ to \ E4$ $N/A = Go \ to \ E5$ NO = Fail

YES. No material change.

4. If a biological opinion applicable to the Facility for the threatened or endangered species has been issued, can the Applicant demonstrate that:

a. The biological opinion was accompanied by a FERC license or exemption or a habitat conservation plan?

OR

b. The biological opinion was issued pursuant to or consistent with a recovery plan for the endangered or threatened species?

OR

c. There is no recovery plan for the threatened or endangered species under active development by the relevant Resource Agency?

OR

d. The recovery plan under active development will have no material effect on the Facility's operations?

YES = Pass, go to FNO = Fail

N/A.

5. If E.2. and E.3. are not applicable, has the Applicant demonstrated that the Facility and Facility operations do not negatively affect listed species?

YES = Pass, go to FNO = Fail

YES. A review of the FERC docket for Plant 1 (P-6801) and Plant 2 (P-7532) indicate that no actions have been taken by the National Marine Fisheries Service or the Fish and Wildlife Service since the original LIHI certification.

F. <u>Cultural Resource Protection</u> [PASS]

1. If FERC-regulated, is the Facility in Compliance with all requirements regarding Cultural Resource protection, mitigation or enhancement included in the FERC license or exemption?

YES = Pass, go to GN/A = Go to F2NO = Fail

YES. At the time of exemption, the District solicited comment from the Oregon State Historic Preservation Officer (OSHPO), who on June 30, 1988 stated that "It is our opinion that the Project would have no effect on sites on, or eligible for inclusion, on the National Register of historic places." There has been no material change.

G. <u>Recreation</u> [PASS]

1. If FERC-regulated, is the Facility in Compliance with the recreational access, accommodation (including recreational flow releases) and facilities conditions in its FERC license or exemption?

 $YES = Go \ to \ G3$ $N/A = Go \ to \ G2$ NO = FailN/A.

1 1/21.

2. If not FERC-regulated, does the Facility provide recreational access, accommodation (including recreational flow releases) and facilities, as Recommended by Resource Agencies or other agencies responsible for recreation?

 $YES = Go \ to \ G3$ NO = Fail

YES. There are no dams associated with the Project, which operate as run of river. The reservoirs are used for irrigation and are not operationally connected to the hydropower system. This issue was satisfactorily addressed in the District's letter to LIHI, dated March 6, 2012 (Attachment 6). Further, there are no recreation or public facilities associated with the Project.

3. Does the Facility allow access to the reservoir and downstream reaches without fees or charges?

YES = Pass, go to HNO = Fail

N/A. As stated above, the reservoirs are not associated with hydropower production.

H. <u>Facilities Recommended for Removal [PASS]</u>

1. Is there a Resource Agency Recommendation for removal of the dam associated with the Facility?

YES = FailNO = Pass

NO. There are no dams associated with the Project.

IV. <u>Reviewer Findings and Recommendations</u>

I recommend recertification of the District's Project for a term of five years.

The District successfully satisfied the conditions on the prior license by demonstrating, through the implementation of its Sustainability Plan and MOA with ODEQ and ODFW, that the Project adequately protects water quality. The District continues to expand its Sustainability Plan.

Since the project was originally certified, the Hood River has been listed as critical habitat for bull trout. I contacted Oregon representatives of FWS and NMFS, sent them relevant information about the Project, and asked for comment. No comments have been received. The temperature monitoring report demonstrates that the Project does not adversely affect the temperature of the Hood River, and ODFW has indicated its support of the Project. I conclude that there are no adverse effects of the Project on bull trout critical habitat.

The District has complied with the terms of the original license, and the Project continues to satisfy the LIHI criteria.

Attachment 1



SUSTAINABILITY PLAN 2012 v. 16

INTRODUCTION

Natural resource system limitations demand that we balance our need for domestic, industrial, hydroelectric, and agricultural water use with the very real ecological necessity of maintaining adequate stream flows for fish and wildlife habitat. The Farmers Irrigation District strives to play a direct and supportive role in achieving sustainable practices of water use for the common good, and this document guides our practices.¹

In response to concern regarding matters of economy, ecology, and social equity in the Hood River Basin, we strive to act as natural resource stewards. District programs are thus dedicated to watershed restoration, in-stream flow enhancement, renewable energy production, and on-farm irrigation efficiency. District projects are funded through various means, including water user assessments, watershed and water conservation grants, BETC and ETO incentives, low interest SRF ODEQ loans, and royalty revenue (from the sale of various innovative fish screen technologies).

PROJECT HISTORY

The foundation for the District's sustainable practices was established in about 1980 when the Farmers Irrigation District embarked on a small-scale hydroelectric program to create revenue for water conservation projects. The District and its basin partners have realized several positive outcomes from this program, some of which are characterized immediately below.

¹ For detailed background regarding the District's water conservation program, see the original Farmers Irrigation District Water Conservation and Management Plan, adopted by the District and the Oregon Water Resources Department in 1995 and revised in 2011.

FID Project Numbers

Audited Capital Improvements (1985 to 2010) = \$37,284,713 Audited Debt Service Expenditures (1985 to 2010) = \$34,800,661

Audits Reports 1985 - 2010

Year	Capital Improvement \$	Debt Service \$
1985	2,971,194.00	543,310.00
1986	5,666,986.00	543,310.00
1987	4,247,493.00	1,225,015.00
1988	427,784.00	1,325,180.00
1989	884,693.00	1,346,066.00
1990	26,373.00	1,395,662.00
1991	46,872.00	1,402,052.00
1992	91,800.00	1,401,525.00
1993	132,677.00	1,366,264.00
1994	69,255.00	1,369,816.00
1995	122,808.00	1,368,609.00
1996	-	1,533,827.00
1997	299,237.00	1,469,680.00
1998	394,920.00	1,499,184.00
1999	100,417.00	1,415,230.00
2000	253,140.00	1,122,704.00
2001	429,802.00	1,393,474.00
2002	1,699,421.00	2,296,510.00
2003	354,343.00	1,455,401.00
2004		1,369,365.00
2005	16,562.00	1,550,560.00
2006	7,901,606.00	1,143,571.00
2007	1,644,967.00	2,241,347.00
2008	1,049,535.00	949,682.00
2009	3,818,513.00	949,832.00
2010	4,634,315.00	1,123,485.00
	37,284,713.00	34,800,661.00

- Water diversions eliminated: 22
- Fish-safe screen installations: 9
- Supplemental water right acres abandoned: 2,000
- Acre-feet spray water conserved annually: 3,500 acre-feet (from the 1995 baseline)
- Individual irrigation pumps eliminated: 1,450
- Kilowatt hours conserved annually due to eliminated irrigation pumps: 1.45 million
- Acre-feet irrigation water conserved annually: 15,000 (from the 1995 baseline)
- Renewable Low Impact Hydropower annual kilowatt hour production increase: 2,255,000
- Micro-sprinkler irrigation heads provided to residential irrigators: 15,000

- Average percent annual reduction in residential irrigation usage: 300
- Trees planted In the Green Point Creek riparian corridor: 7,800
- Board feet of large woody debris placed in Green Point Creek: 85,000
- Minimum flow agreements adopted: 2 (Hood River and Green Point Creek)
- Remote telemetry monitoring sites established: 15
- Flow measurement weirs installed: 6
- Flow regulators and low head gauge holes installed: 609
- Flow meters and piezometers installed: 77
- Flow transects and calibrated pipe sections established: 20
- Total flow measurement stations established: 712

Project Summaries

Diversion and Flow Measurement Projects	Description
Farmers Canal Intake	Armored, reinforced concrete walls, vortex sediment management tubes, Farmers Conservation Alliance (FCA) horizontal fish screen and fish return, flume replaced with PVC pipe,
	telemetric flow data collection system for minimum instream flow compliance, telemetrically controlled headgate, conveyance tunnel bull-nose and headgate protection, and riparian enhancement
North Greenpoint Creek	FCA horizontal fish screen with fish return and riparian enhancement
Deadpoint Creek	FCA horizontal fish screen connected to Lowline Pipe, riparian enhancement
South Pine Creek	Horizontal fish screen connected to Lowline Pipe, riparian enhancement
North Pine Creek	Horizontal fish screen connected to Lowline Pipe
Mainstem Greenpoint	Telemetric flow data collection system for minimum in-stream flow compliance
Gate Creek	Horizontal fish screen connected to Stanley Smith Pipeline
Upper Greenpoint Reservoir	New (2012) dam face rip rap and rock armor, flow measurement weir, and telemetry
Lower Greenpoint Reservoir	New (2012) dam face rip rap and rock armor, Flow measurement weir
Ditch Creek at Forebay 3	Inlet structure and horizontal fish screen connected to Forebay 3 with fish return and ladder connected to Ditch Creek
Ditch Creek at Highline	Horizontal fish screen inlet structure connected to the Highline pipeline
Rainy Creek	Horizontal fish screen inlet structure

Open Canals and Laterals Converted to Pipe	Length (miles)	Description
Piping Project	5.10	HDPE and PVC pipe
Highline Canal Farmers Canal (partially piped)	2.50	HDPE and PVC pipe; 3 miles remain to be piped
Lowline Canal	5.60	HDPE, ADS, & DuroMaxx steel reinforced pipe
	5.20	PVC and steel pipe
Greenpoint Canal	0.50	ADS pipe
South Greenpoint Canal Stanley Smith Pipe	4.60	PVC pipe, Gate Creek to Upper Kingsley Reservoir
York Hill Lateral	1.30	PVC pipe
Binns Hill Lateral	0.50	PVC pipe
	0.60	PVC pipe
Cox Lateral Golf Course Lateral	4.56	PVC pipe; includes Country Club, Sunset, Ing, and Sterr
Kenwood Lateral	1.17	PVC pipe
Dieck Lateral	0.90	PVC pipe
Portland Drive Lateral	0.80	PVC pipe
Markham Lateral	2.23	PVC pipe; includes Hayes Driv and Wallace Lateral
Avalon/Belmont Lateral	11.15	HDPE and PVC pipe; includes May, Muddy, and Frankton sublaterals
Tucker Lateral	6.25	HDPE and PVC pipe; includes Cemetery, Eliot, Barker, and Nickelsen sublaterals
	1.72	PVC pipe
High School Lateral	2.12	PVC pipe
Orchard Road Lateral Various pipeline replacements	4.00	PVC pipe replacing small sublaterals and user group lines
Total Miles Converted to Pipe=	60.8	

Miscellaneous

Oregon Trout Certificate of Appreciation to Farmers Irrigation District: Outstanding Management Practices – on behalf of Oregon Trout's mission to protect and restore native fish and their ecosystems (October 1998)

Oregon Plan for Salmon and Watersheds – FCA Horizontal Screen Program (May 2005)

Farmers Irrigation District Horizontal Fish Screen US Patent #6964541 (11/15/2005)

ACEC Oregon Engineering Excellence Grand Award to Farmers Irrigation District and Anderson Perry Engineering for Diversion System Improvements (2006)

Farmers Irrigation District Horizontal Fish Screen Canadian Patent #2,440,140 (10/28/2008)

Low Impact Hydropower Institute Certified Facility Certificate # 000045 (March 2009)

Farmers Irrigation District Horizontal Fish Screen US Patent #7594779 (9/29/2009)

California Energy Commission Renewable Portfolio Standard Eligibility Certificate CEC-RPS-ID #61366A (April 2011)

Oregon RPS Certification W1898 (April 2012)

Farmers Conservation Alliance (FCA) contributions to rural communities in the Western United States:

- Screen installations: 23
- Stream miles opened: 167.70
- Acres of farmland protected: 31,172.5
- CFS converted to fish-friendly diversion: 484.2
- Environmentally-friendly Megawatts supported: 10
- Operation and maintenance dollars saved annually: \$493,700

Based on the results of its early work in the realm of sustainable practices, the District developed the following mission statement to guide its future work.

MISSION

Farmers Irrigation District strives to promote ecologically, socially, and economically sustainable agriculture by providing renewable energy and irrigation service for the common good.

SUSTAINABILTY POLICY (adapted from the original thinking of Ontario Power, Canada, 2002, and used with permission)

The Farmers Irrigation District shall guide its practices according to the flowing tenets:

- Sustainable on-farm practices
- Renewable, Low Impact Hydropower Institute Certified energy production
- Resource use efficiency and balance
- Community relations and social equity
- Ecosystem protection

The Farmers Irrigation District shall adhere to the following core practices:

- Meet or exceed all legislative and agency environmental requirements
- Integrate ecological, social, and economic factors into all planning, decisionmaking, and business practices
- Use group process to reflect upon and reform these core practices
- Further develop renewable and sustainable energy and water-use practices
- Educate, encourage, and empower employees and community to conduct activities in a sustainable manner
- Communicate through local, national, and international media the progress made toward achieving these sustainable practices

OPPORTUNITIES

In an ongoing manner, Farmers Irrigation District shall develop and implement sustainable practices through the following generally described opportunities:

- Water Rights and Instream Flow Management
- GIS Program development
- Water Accounting Program development
- Metering and remote telemetry program enhancement
- System control, flow control, and data acquisition enhancement

- Farmers Canal pipe installation
- Pine Creek Sediment Removal and Wetland Remediation Facility Project
- Reservoir Consolidation and Riparian Enhancement Project
- Farmers Screen technology upgrades
- Plant 2 Optimization and Repowering Project
- North Green Point Creek Pipe Enhancement Project
- On-Farm Soil Moisture Sensors and Poly-Tube Micro-Sprinkler Program
- Diversion Elimination Program
- Water education programs
- HR Basin irrigation districts' Intergovernmental agreement
- District Social Equity Policy development
- Hood River Watershed Group participation
- UGA City of Hood River water service continuation as per MOA
- Indian Creek Stewards Program participation
- Renew Green Point Creek watershed enhancement work
- Enhance renewable energy production and secure REC premiums
- Accumulate 2 million dollars in cash reserves

TASKS AND TIMELINES

The opportunities listed above lead immediately to the following specific tasks and timelines over the next 5 years:

- Plant 2 Optimization and Repowering Project (2013 or 2014)
- Complete Farmers Canal Pipe Project (2013 to 2015)
- Complete North Green Point Creek Pipe Enhancement Project (2016)
- Complete Reservoir Consolidation and Riparian Enhancement Project (2017)

MONITORING, EVALUATION, AND PLAN RENEWAL

The Farmers Irrigation District will use the following parameters to assess the efficacy of this planning process:

- Assess the FID-ODFW-ODEQ Green Point Creek and Hood River Minimum Instream Flow MOAs for compliance and overall effectiveness, making adjustments as indicated to further basin-wide ecosystem health
- Increase Green Point Creek average summer in-stream flow (June to August) to 25 cubic feet per second by 2015
- Monitor Plant 2 hydropower plant discharge temperature condition to ensure compliance with ODEQ standards
- Increase net hydropower production to 27,000 mWH per year by 2015

This plan is periodically updated by District staff and reviewed and adopted by the District Board of Directors approximately every 2 to 3 years. We welcome your comments.

Attachment 2





February 24, 2014

Ms. Dana Hall, Deputy Director Low Impact Hydropower Institute 131 Martha Road Harrington Park, New Jersey 07640 Via Electronic Mail

Re : Letter of Support for Low Impact Hydro Institute Re-certification for Farmers Irrigation District, Hood River Oregon (FERC P-6801 and P-7532)

Dear Ms. Hall,

The Oregon Department of Fish and Wildlife (ODFW) express our support for re-certification of the Farmers Irrigation District hydropower operation by the Low Impact Hydropower Institute. This support is contingent upon the implementation and continual operation of the hydropower system as described in the attached Memorandum of Agreement (MOA) for Hydroelectric Operation Conditions with Exhibits A and B, dated August 22, 2011.

The Farmers Irrigation District is a leader in innovation for water conservation, and implementation of these low impact actions will help to protect and enhance fish populations in the Hood River. These implemented measures will help maintain minimum stream flows which assist in providing and protecting necessary fish and wildlife habitat in the Hood River Basin. These actions will provide added protection for Endangered Species Act protected fish species, and help reach recovery goals for the Hood River in The Lower Columbia River Conservation and Recovery Plan for Oregon Populations of Salmon and Steelhead.

The operational conditions in the attached MOA are not regulatory requirements, but are voluntary actions that ODFW believes are suitable for support of low impact hydro certification. These actions alone will not ensure the sustainability of the healthy fish populations in the Hood River Basin, but will provide a foundation for further restoration activities to build upon.

ODFW appreciates the voluntary support from the Farmers Irrigation District, and we believe their efforts are consistent with the requirements to qualify for Low Impact Hydropower Certification. If you have further questions, please feel free to contact me at <u>Ted.G.Wise@state.or.us</u>, or 541-633-1115.

Sincerely,

Ted Wise ODFW High Desert Area Hydropower Coordinator/Eastern Oregon Region

ec: Jer Camarata, FID Bonnie Lamb, ODEQ

Attachment 3



Department of Environmental Quality Eastern Region Bend Office 475 NE Bellevue Drive, Suite 110 Bend, OR 97701-7415 (541) 388-6146 Fax (541) 388-8283 TTY 711

February 26, 2014

Ms. Dana Hall Low Impact Hydropower Institute P.O. Box 194 Harrington Park, NJ 07640 Via Electronic Mail

Re: Letter of Support for Low Impact Hydro Institute Re-certification for Farmers Irrigation District, Hood River Oregon (FERC P-6801 & P-7532)

Dear Ms. Hall,

The Oregon Department of Environmental Quality (DEQ) expresses our support for Low Impact Hydropower re-certification of the Farmers Irrigation District (FID) hydropower operation. This support is contingent upon the implementation and continual operation of the hydropower system as described in the attached Memorandum of Agreement (MOA) for Hydroelectric Operation Conditions, including Exhibits A and B, dated August 22, 2011.

Exhibit B of the MOA identifies temperature monitoring that FID agreed to do in order to evaluate the possible effects of their hydropower system operation on temperatures in the Hood River. The Exhibit identifies the conclusion of the Evaluation period as being November 15, 2011. FID prepared a report for the evaluation period and provided it to DEQ and ODFW in January, 2012. FID, in conjunction with the Hood River Watershed Group and other watershed partners, has continued to collect temperature data at a number of locations along the Hood River. This data is summarized each year in a report provided to all local partners. FID has indicated that they will continue to implement their temperature monitoring program.

As outlined in Exhibit A, FID has also continued to modify the amount of water that they divert from the Hood River during periods of low flow, which should have a direct benefit for stream temperatures.

The operational conditions in the MOA are not regulatory requirements, but are voluntary actions that DEQ and ODFW believe are suitable for support of low impact hydro certification. These actions alone will not ensure the attainment of water quality standards and the sustainability of healthy fish populations in the Hood River Basin, but are one piece of the picture that will improve future conditions.

DEQ appreciates the voluntary actions of the Farmers Irrigation District, and we believe their efforts are consistent with the requirements to qualify for Low Impact Hydropower Certification. If you have any further questions, please feel free to contact me at <u>lamb.bonnie@deq.state.or.us</u> or 541-633-2027.

Sincerely,

Bonnie Lamb Hood Basin TMDL Coordinator

ec: Jer Camarata, FID Marilyn Fonseca, DEQ Ted Wise, ODFW

Attachment 4

Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, and Farmers Irrigation District Memorandum of Agreement for Hydroelectric Operation Conditions for the Purpose of Meeting Low-Impact Hydropower Institute Certification 22 August 2011

Whereas the Farmers Irrigation District (District) is committed to completing its 35-year irrigation enhancement and natural resource restoration and protection plan as described in the District's <u>Sustainability Plan</u> (Plan), which is specifically incorporated herein by reference, the actions of which include:

- Restore Green Point Creek flood plains, riparian areas, sinuosity, and fish passage; and
- Install horizontal fish screens on District diversions to safely pass fish of all life stages without injury; and
- Install over 65 miles of pipe, eliminating open canals and ditches, replacing older sprinkler technology with micro-sprinkler systems, thus collectively decreasing irrigation water consumption and restoring 10,000 acre feet of water per season to in-stream flow in the Hood River, decreasing water temperature, eliminating nonpoint source pollutant transport, and eliminating canal failures and associated sedimentation.

Whereas the District must continue to realize a financial return on its investments in irrigation enhancement and natural resource restoration and protection in order to complete its Plan; and

Whereas the Oregon Department of Fish and Wildlife's (ODFW's) goal is to implement measures to improve in-stream flow in the Hood River for fish spawning, rearing, and immigration, and ODFW is working with the Oregon Department of Environmental Quality (ODEQ) to improve water temperature; and

Whereas ODEQ's goal is to implement measures to improve water temperature, and ODEQ is working with ODFW to implement measures to improve in-stream flow in the Hood River for fish spawning, rearing, and immigration, these outcomes advanced by the District's Plan; and

> DEQ Eastern Region Bend

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Whereas the District, ODFW, and ODEQ (collectively "the Parties") wish to further the overall positive outcomes of the District's Plan, the following assumptions are presented herein as the foundation for mutually beneficial outcomes for the common good:

- District has secured and, if economically sustainable, will maintain Low-Impact Hydropower Institute (LIHI) certification (Certification) to obtain increased revenue from the sale of Renewable Energy Certificates (RECs, also sometimes known as Green Tags), this revenue dedicated to advancing the District Plan; and
- ODFW and ODEQ will realize improved water quality and water quantity, these outcomes promoted by the District's Plan in the best interest of farms and fish protection; and
- District will realize net positive revenue from its RECs such that the practices prescribed herein may be continued; and
- Provided that District RECs result in net positive revenue to the District, then, beginning Summer 2011, in accord with the conditions set forth in Exhibit A (Instream Flow Methodology), which is specifically incorporated herein by reference, District will forego hydropower production from July through October as more specifically prescribed in Exhibit A; and
- Provided further that District will complete the action items as prescribed in Exhibit B (Temperature Monitoring Methodology), which is specifically incorporated herein by reference.

Exhibit A

In-stream Flow Methodology

Oregon Department of Fish and Wildlife LIHI Certification Requirements:

The District will operate and maintain existing fish protection and mitigation measures as conditioned by the agencies in the FERC exemption.

Furthermore, ODFW will support the District's effort to maintain Certification so long as the District continues to operate in the manner described herein.

The District agrees to contact the ODFW field office in The Dalles when ceasing hydropower diversion, or starting hydropower diversion, and will provide a yearly summary report of the operational shut-down periods by the close of each calendar year.

To meet ODFW low impact hydropower operation Certification requirements, beginning from the date of this agreement and continuing so long as this agreement remains in effect, the District shall operate its hydroelectric system based on in-stream flows in the Hood River as measured at the USGS gauge transect at Tucker Bridge according to the following prescribed parameters:

During the months of July through October, when daily mean discharge in the Hood River is below 250 cfs for three consecutive days, diversion from the Hood River into Farmers Canal, as measured at the Farmers Canal broad crested weir, shall not exceed 40 cubic feet per second until the daily mean discharge in the Hood River exceeds 250 cfs for three consecutive days.

A second second

Furthermore, beginning at 8:00 a.m. on October 1 and continuing to 8:00 a.m. on October 15, the District shall cease all diversion from the Hood River into Farmers Canal.

Exhibit B

Temperature Monitoring Methodology

Oregon Department of Environmental Quality LIHI Certification Requirements:

The District will operate and maintain existing fish protection and mitigation measures as conditioned by the agencies in the FERC exemption.

ODEQ will support the District's effort to obtain and maintain low impact hydropower certification as long as the District's hydropower system operation does not cause thermal effects in excess of ODEQ standards.

The District agrees to contact the ODEQ field office in Bend if hydropower operation conditions change.

To meet ODEQ compliance conditions and determine the thermal effects of its hydropower system operation as to:

1) How the Farmers Irrigation District tailrace affects temperatures in the Hood River; and

2) How the Farmers Canal diversion affects temperatures in the Hood River;

The District shall collect data at the upstream end of the FID Canal diversion to determine the temperature of the river at the point of diversion and, also, in the Plant 2 tailrace upstream of the Hood River to assess how much the diverted water temperature rises, falls, or remains constant at the tailrace (just before entering the river) relative to the river temperature at the Farmers Canal diversion. A third temperature shall be collected in the mixing zone in the vicinity of the old Powerdale Dam site as more particularly described in Item 5, below.

To assess the thermal effects of the diversion as separate from natural heating that might occur along the project bypass reach on the Hood River, river temperatures in the Hood River above the confluence with Neal Creek shall also be collected.

To date, water temperature data have been, or will be, collected daily in hourly intervals as follows:

-April 16 through October 1, 2009 -April 15 through November 4, 2010 -April 1 through November 15, 2011

These data are collected at the following approximate locations:

1) Farmers Canal diversion headgate inlet on the Hood River (Headgate site)

2) Farmers Plant 2 tailrace prior to flow entering the Hood River (Tailrace site)

3) Hood River above the mouth of Neal Creek (to assess heating impacts in the bypass reach)

4) Mouth of Neal Creek and possibly Odell Creek

5) Pre-Powerdale Dam removal temperature readings were collected in the Hood River approximately 100 feet below Powerdale Dam. Post-Powerdale Dam removal temperature readings are being collected in the sample area below the Plant 2 tailrace where the Plant 2 tailrace discharge amount is approximately 25% of the Hood River flow amount (Mixing Zone site).

At the conclusion of the evaluation period (November 15, 2011), the temperature data collected to date will be evaluated and the scope of additional monitoring, if required, will be identified at that time.

All Parties approve and agree to this Memorandum of Agreement and Associated Exhibits and agree to write letters in support of the District's effort to maintain Low-Impact Hydropower Institute Certification so long as the District continues to operate in the manner described.

2 10

Michael Kleinsmith, District Manager Farmers Irrigation District

Rod French, Mid-Columbia District Fish Biologist Oregon Department of Fish and Wildlife

Bonnie Lamb Water Quality Division Oregon Department of Environmental Quality

8 23/11

8/24/11

Date

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Date

Attachment 5

2012 Update on the Thermal Impact from the Farmers Irrigation District Hydroelectric Facility on the Hood River

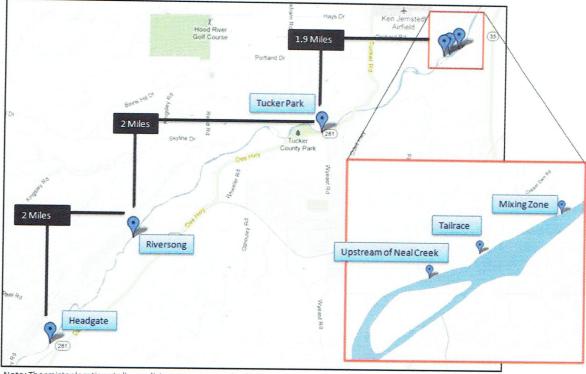
Introduction

This report is an update to Farmers Irrigation District's (FID) *Thermal Impact on the Hood River from the Farmers Irrigation District Hydroelectric Facility* paper released in January 2012. Temperature monitoring in the Hood River has continued through 2012 to continue assessment of the thermal impact of FID's hydroelectric system operations on the bypass reach and of tailrace water inputs on the mainstem Hood River. This extended voluntary study supports a 2011 MOA with Oregon Department of Fish and Wildlife (ODFW) and Oregon Department of Environmental Quality (ODEQ) providing support for Low Impact Hydro Institute certification. Data presented in this report were collected and assessed by the Hood River Watershed Group (HRWG) in an effort to gain third-party assessment and corroboration.

Methods

The HRWG Technician took over data collection and analysis from FID Technicians starting May 8, 2012. Throughout the year, water temperature data were collected at 6 points along the Hood River, beginning at the upstream end of the project at the Farmers Canal diversion and ending at the Mixing Zone below the FID Hydroelectric Plant #2 tailrace return flow. Temperature data were collected at relatively uniform intervals (~2 miles each) along the Hood River (Figure 1). Temperature data collection sites (and the rationale for site selection) on the Hood River are as follows:

- 1. Headgate, at the Farmers Canal diversion inlet on the Hood River, located at river mile 11.4 to establish the ambient, baseline Hood River water temperatures independent of any influence from FID hydroelectric plant operation.
- Riversong, located approximately 2 linear miles from the Headgate site to provide temperature data along the project bypass reach below the point of diversion and above the FID facility tailrace in an effort to discern the natural thermal response along the project bypass reach, as well as the thermal impact of FID hydroelectric project diversion.
- 3. Tucker Park, located approximately 4 linear miles from the Headgate site to provide temperature data along the project bypass reach below the point of diversion and above the FID facility tailrace in an effort to discern the natural thermal response along the project bypass reach, as well as the thermal impact of FID hydroelectric project diversion.
- 4. Upstream of Neal Creek on the Hood River, located downstream of the Odell Creek convergence, but approximately 40 meters above the Neal Creek convergence to provide temperature data near the end of the project bypass reach, but upstream of the FID hydroelectric plant tailrace flows, in an effort to discern the natural thermal response along the project bypass reach, as well as the thermal impact of FID hydroelectric project diversion.
- Tailrace of the FID hydroelectric plant, prior to tailrace flow entering the Hood River at approximately 7.45 river miles downstream of the Farmers Canal inlet – to assess the thermal impact of water diverted through the Farmers Canal and discharged at the hydroelectric plant tailrace.
- 6. Mixing Zone, located approximately 500 feet downstream of the FID hydroelectric plant tailrace, in a sample area where the hydroelectric plant discharge is approximately 25% of the total Hood River flow amount during the late summer months to assess the comprehensive thermal impact of FID hydroelectric plant operation on the Hood River compared to the natural thermal response absent hydroelectric plant diversion.



FID Thermistor Locations for 2012 Temperature Study

Note: Thermistor locations in linear distances are approximations. Figure 1: Temperature data collection points for 2012.

Water temperature data were collected hourly throughout the year. All temperature data were collected and recorded using HOBOware Pro software v.3.4.0, as well as HOBO U22 Water Temp Pro v2 Data Loggers. The operation range for the sensors is -40°C to 70°C in air with a maximum sustained temperature of 50°C in water. Over a range 0°C to 50°C, sensor accuracy is +/-0.2°C and sensor resolution is 0.02°C at 25°C. For this study, the loggers were secured in place so that the risk of lost data was minimized. Care was taken to ensure that the loggers would withstand flood flows and the loggers were inspected on a regular basis to ensure that they did not become buried in sediment. Data retrieval before May 8th was sporadic. After May 8th, with a few exceptions, data were retrieved, downloaded, and plotted on a monthly basis (so as to detect and correct any anomalies related to faulty equipment or placement in the field). On these same monthly checks, the logger temperature readings were audited by a temperature reading from the HRWG's NIST thermometer (DEQ SN 51021 through August and SN 53065 after August). For all comparisons, the logger readings and field readings met DEQ's highest data quality level. The loggers were also calibrated using DEQ's water bath method on June 7, 2012. At the end of 2012, the data were compiled, checked for quality, and plotted. The 7-Day Maximum Moving Average water temperatures were generated utilizing the worksheet developed by the ODEQ Laboratory Quality Assurance Section.

The mean daily air temperature values were obtained from the US Bureau of Reclamation (BOR) Agrimet station at the Mid-Columbia Agricultural Research and Extension Center within the FID territory, a short distance from the FID hydroelectric facility. The average daily flow values (Q) in the Hood River were obtained from the USGS gauge site at Tucker Bridge, within the project bypass reach. The data for all of these parameters are stored electronically by HRWG and available upon request.

Results

Stream temperatures are highest at all monitoring sites in late summer. In general, stream temperatures at the downstream sites are warmer than sites upstream. Based on the 7-Day Maximum Moving Average water temperatures, the Upstream of Neal Creek site is warmer than the Mixing Zone site, especially during the summer months. The tailrace temperature is often colder than both the Upstream of Neal Creek and Mixing Zone temperatures (Figure 2). The temperature at the Upstream of Neal Creek site and Mixing Zone site are similar during the period of no diversion, but much less so during other parts of the year, especially summer (Figure 3).

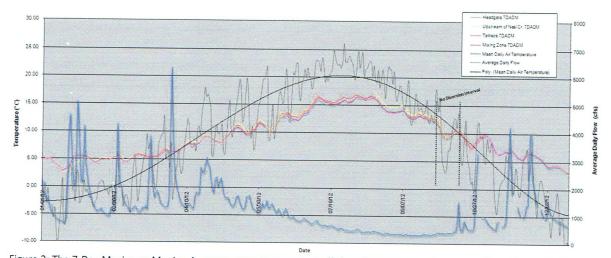


Figure 2: The 7-Day Maximum Moving Average water temperatures (°C) at the Headgate, Upstream of Neal Creek, Tailrace, and Mixing Zone sites for 2012. Mean daily air temperature (°C) and average daily flow (cfs) in the Hood River at Tucker Bridge are also shown. The vertical dotted lines delineate the period when the FID diversion was closed and therefore no water was diverted from the Hood River into the Farmers Canal.

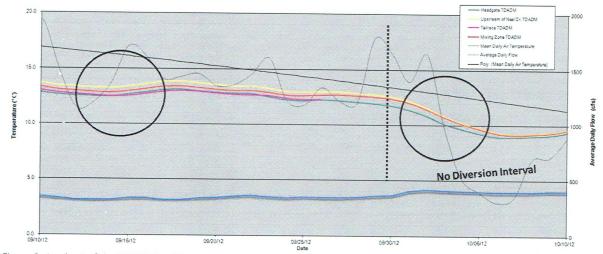


Figure 3: A subset of the 2012 7-Day Maximum Moving Average water temperatures (°C) at the Headgate, Upstream of Neal Creek, Tailrace, and Mixing Zone sites from September 10th to October 10th. Circles highlight a period of high diversion and a period of no diversion for comparison. The vertical dotted line delineates the beginning of the period when the FID diversion was closed and therefore no water was diverted from the Hood River into the Farmers Canal. Mean daily air temperature (°C) and average daily flow (cfs) in the Hood River at Tucker Bridge are also shown.

The temperature deltas between sites appear to spread during late summer and converge in the winter. The same pattern of Upstream of Neal Creek temperatures being warmer than Mixing Zone temperatures can also be seen in the temperature differential calculations (Figure 4). The delta between Upstream of Neal Creek and Mixing Zone temperatures reduces during the period of no diversion, although the delta between the temperatures at all sites also reduces during a part of this same period. A sudden ambient air temperature drop was also observed during this period (Figure 5).

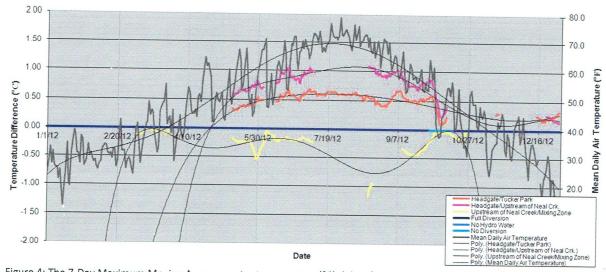


Figure 4: The 7-Day Maximum Moving Average water temperature (°C) deltas for the Headgate to Tucker Park, Headgate to Upstream of Neal Creek, and Upstream of Neal Creek to Mixing Zone sites for 2012. Mean daily air temperature (°F) is also shown.

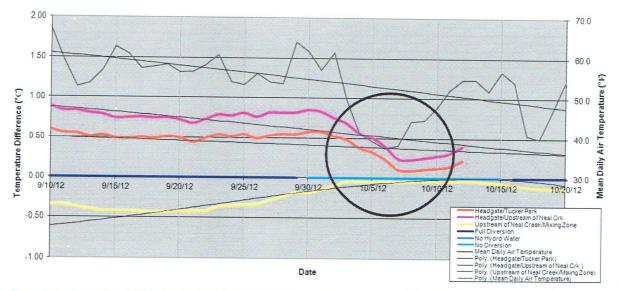


Figure 5: A subset of the 2012 7-Day Maximum Moving Average water temperature (°C) deltas for the Headgate to Tucker Park, Headgate to Upstream of Neal Creek, and Upstream of Neal Creek to Mixing Zone sites from September 10th to October 20th. The circle highlights a period of no diversion. Mean daily air temperature (°F) is also shown.

Discussion

Like the pattern seen in the 2009-2011 study, stream temperatures at all monitoring sites follow air temperature (peaking in late summer and decreasing in the winter) over the year. In addition, river temperatures tend to increase as river flows decrease, although this is likely due to lack of precipitation (and increased usage from irrigators) during the same time as peak air and water temperature.

Increased river temperatures in summer months are likely due to a natural summertime increase in solar radiation since peak usage and diversion levels don't substantially change from July to September. This can be substantiated in observations of river flow continuing to decrease through August and September while stream temperatures decrease and generally trend with ambient air temperature.

Water temperatures are generally warmer downstream than they are upstream. Temperatures would be expected to be higher at downstream sites given that lower sites have been exposed to ambient air temperatures for longer, as well as being exposed to solar radiation for longer durations. An exception to this general pattern is that the Mixing Zone temperatures are lower than temperatures at the Upstream of Neal Creek site, showing the same pattern as in the 2009-2011 data. The lower temperatures at the Mixing Zone site seem to be due to the lower temperatures entering the Hood River from the FID hydroelectric tailrace. The tailrace water is colder than the mainstem Hood River water at the Upstream of Neal Creek site, which given the short distance from the tailrace water can be assumed to be about the same as the mainstem Hood River water where the tailrace water enters and mixes. This assumption is likely given that temperatures at the Upstream of Neal Creek and Mixing Zones are nearly identical during the period of no diversion (September 30th-October 15th) when there is no tailrace water input. The temperature change over the distance from the Upstream of Neal Creek site to the Mixing Zone site without tailrace water inputs seems to be minimal, although it is recognized that the warmer (based on 2009-2011 data) Neal Creek water enters the mainstem in this stretch.

The FID tailrace water is consistently cooler than the Upstream of Neal Creek and Mixing Zone sites, especially in the summer. The tailrace water is likely cooler because it travels through buried pipe and is therefore not exposed to solar radiation like the in-channel water. The temperature difference between the mainstem Hood River water (Upstream of Neal Creek) and the tailrace water is generally less than 1°C. While it does seem to have a cooling impact on mainstem temperatures, it hopefully isn't enough to thermally shock aquatic inhabitants. It is probable, with the input of warmer Neal Creek water above the site of the FID tailrace, that the FID tailrace water may mitigate for warmer in-stream temperatures not associated with hydroelectric plant operations, providing a net benefit to the natural system.

Although data is limited, temperature deltas between sites seem to peak in the late summer when stream temperatures also peak. This is likely due to the higher air temperature, increased solar radiation, and lower stream flows during that time. Water temperatures would increase more quickly over the same distance because of all three factors. Increased temperature could also be partly due to the lower flows in the bypass reach as a result of FID's water diversion for hydroelectric operations, although this is unlikely given the differences seen during the no-diversion interval. The temperature deltas between sites (excluding the Upstream of Neal Creek to Mixing Zone difference) do not considerably change during most of FID's no-diversion interval, suggesting that the majority of temperature increase between sites is natural and not due to FID diversion. The smaller temperature difference between the Upstream of Neal Creek and Mixing Zone sites during the no-diversion interval suggests that the input of tailrace water is a substantial factor in explaining why the Mixing Zone is cooler during other parts of the year. There is a drop in the temperature deltas between all sites during the middle part of the no-diversion interval that could suggest that without diversion the temperature increase within the bypass reach would be lower. However, this decrease in temperature delta is more likely natural given that the trend is not consistent over the entire no-diversion interval and that it also coincides with a large drop (about 11°C) in ambient air temperature. River temperature deltas consistently follow ambient air temperature.

The major limitation to the 2012 study was a loss of data due to broken, buried, and lost loggers. Due to the HRWG monthly download versus the past FID weekly download intervals, there are data gaps when a malfunction (physical or technical) occurred. Such losses due to river sediment fluctuations or

computer malfunction will continue to be hard to avoid. Data limitations over 2012 limit the confidence of the conclusions reached from the data, but combined with the patterns seen in the 2009-2011 study years and the use of polynomial trendlines, a similar pattern of low or no impacts from FID's hydroelectric plant operations is seen. Given the data available, the tailrace flows from the FID hydroelectric plant seem to cool the mainstem Hood River water (generally by 0.5°C or less). Additionally, the available data suggests that FID's water diversion does not measurably increase stream temperatures in the bypass reach. A period of no-diversion during late summer would provide better data to evaluate FID's diversion impacts on bypass temperatures, but this will be very difficult to obtain given the irrigation needs of FID's customers during that critical pre-harvest time period. Continued monitoring would provide more data to confirm if the temperature regimes seen in 2009-2012 remain consistent. FID management has agreed to support the continued study of the thermal impacts of their hydroelectric plant operations until such analyses are deemed conclusive.

Attachment 6



6 March 2012

Fred Ayer Low Impact Hydropower Institute 34 Providence Street Portland, Maine 04103

Dear Fred,

Thank you for your forthright response. I'm pleased to read that conditions one and two have been adequately addressed. By way of additional information regarding Condition 3, as described in my 23 December 2011 letter to you, Farmers Irrigation District (FID or District) operates two seasonal irrigation reservoirs (filled with spring runoff from Gate and Cabin creeks; emptied by late summer), but these irrigation reservoirs are not associated with the operation of the hydroelectric facilities. As you know, while Hood River County (HRC) operates a park at the upper irrigation reservoir and Oregon Department of Fish and Wildlife (ODFW) stocks the upper irrigation reservoir with trout each season, the irrigation reservoirs and associated park facilities are not parts of the FID hydroelectric project. While FID maintains a goal to develop and implement a mutually beneficial irrigation reservoir rehabilitation program to ensure continued safe operation and enhanced recreational opportunities in Hood River, the reservoir facilities are not now, and will not be in the future, a part of the FID hydroelectric system.

In an effort to clear up any confusion regarding our irrigation reservoirs and our hydroelectric facilities, I have incorporated a simple map that illustrates the project elements and configuration, including associated water sources, hydroelectric plant locations, penstocks, and water rights. Based on project layout, while it might appear that the irrigation reservoirs – the Kingsley Reservoirs, as they are named – are an integral component of the District's hydropower project, such is not the case. Although the District holds hydroelectric water right certificates for the use of waters from Gate Creek and Cabin Creek during the winter when the reservoirs are empty, the District holds no water rights for the use of any reservoir water for hydroelectric power production purposes. Furthermore, the irrigation reservoirs are empty throughout all of the peak hydroelectric power producing season. Said another way, it is illegal, and physically impossible, for the District to include its irrigation reservoirs as part of its hydroelectric project. Per the attached map, you can see that North Greenpoint Creek and Deadpoint Creek, to which we hold year-round hydro rights, feed the Lowline Canal, which is used to feed Forebay 3 and Plant 3 Penstock for hydro production.

That being said, while unrelated to its hydropower project, the District has for decades cooperated with ODFW and Hood River County, allowing open, unencumbered access to its irrigation reservoirs in direct



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support of ODFW's put-and-take trout fishery and HRC's campground facilities, the campsites for which are concentrated along the eastern perimeter of the upper irrigation reservoir.

So, in summary, the irrigation reservoirs are filled with supplemental irrigation water in late-spring of each irrigation season, and this stored supplemental irrigation water is used throughout each irrigation season to augment irrigation water delivery to high-value orchard land within the Farmers Irrigation District. By the end of each irrigation season, typically near the end of September of each year, the reservoirs are devoid of water. It is also of value to note that the hydroelectric generator in line with Gate and Cabin creeks is off-line throughout the regular irrigation months of the year as no surplus water is available for hydropower production even if the District had the legal right to use this irrigation water for power production. The Oregon Water Resources Department does not permit FID to use the irrigation reservoir water for hydropower production, the District's FERC conduit exemption does not allow for use of irrigation reservoir water, and limited physical water supply precludes the use of irrigation reservoirs as a component part of the District's hydropower project.

I hope this letter addresses the confusion regarding the District's irrigation reservoirs and their relationship to the FID hydropower project, and I look forward to hearing back from you after you have had time to review all our latest information. Thank you, Fred, and thanks to Gabriela as well.

Best,

Jer Camarata

District Manager Farmers Irrigation District